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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE V.5

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PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this	day of	April		2008, by and between
Kelvin Earl Johnson a	nd wife,	Allo M.	Johnson	
whose addresss is 5213 Tetm	Trail For	- WOATH.	Tayas 74137	as Lessor.
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross	Avenue, Sulte 1870	Dallas Texas 75201.	as Lessee. All printed port	ons of this lease were prepared by the party
hereinabove named as Lessee, but all other provisions (in 1. In consideration of a cash bonus in hand paid				
described land, hereinafter called leased premises:	i gilo the corchants i	eren contanies, Less	on neleby grains, leases i	and total dyondalitory to ecopade the tonorming
· 275 ACRES OF LAND, MORE OR LI	ESS. BEING LOT	(s) 9		, BLOCK
OUT OF THE Sondra - Lin	Subdivisiv	М	4 OITIG GA	I, AN ADDITION TO THE CITY OF
Fort Worth	, TARRANT C	OUNTY, TEXAS,		HAT CERTAIN PLAT RECORDED
IN VOLUME, PAGE,	75	OF THE PLA	AT RECORDS OF TA	RRANT COUNTY, TEXAS.
in the County of Tarrant, State of TEXAS, containing	<u>1275</u> gn	oss acres, more or les	s (including any interests th	erein which Lessor may hereafter acquire by
reversion, prescription or otherwise), for the purpose of	exploring for, develop	ing, producing and m	arketing oil and gas, along	with all hydrocarbon and non hydrocarbon
substances produced in association therewith (includin commercial gases, as well as hydrocarbon gases. In ad-				
land now or hereafter owned by Lessor which are contig	uous or adjacent to th	e above-described lea	sed premises, and, in cons	ideration of the aforementioned cash bonus
Lessor agrees to execute at Lessee's request any addition of determining the amount of any shut-in royalties hereun				
• • •	•	•		
This lease, which is a "paid-up" lease requiring as long thereafter as oil or gas or other substances cover	no rentals, shall be in f	orce for a primary term	n of TVE	years from the date hereof, and for
as long thereafter as oil or gas of other substances cover otherwise maintained in effect pursuant to the provisions		o in paying quantities	from trie leased premises of	or from larios pooled therewith or this lease is
Royalties on oil, gas and other substances prod	duced and saved here	under shall be paid by	Lessee to Lessor as follow	vs: (a) For oil and other liquid hydrocarbons
separated at Lessee's separator facilities, the royalty shi Lessor at the wellhead or to Lessor's credit at the oil pur	all be <u>fwew tv</u>	tacilities provided the	(25 %) of such product the co	uction, to be delivered at Lessee's option to ofiniting right to ourchase such production a
the wellhead market price then prevailing in the same fi	eld (or if there is no s	uch price then prevail	ing in the same field, then	in the nearest field in which there is such a
prevailing price) for production of similar grade and g	pravity; (b) for gas (in	icluding casing head	gas) and all other substa	inces covered hereby, the royalty shall be
production, severance, or other excise taxes and the con	of the proceeds realists incurred by Lessee	in delivering, process	ing or otherwise marketing	such gas of other substances, provided that
Lessee shall have the continuing right to purchase such	production at the preva	ailing wellhead market	price paid for production of	similar quality in the same field (or if there is
no such price then prevailing in the same field, then in the the same or nearest preceding date as the date on which	ne nearest field in which n Lessee commences	in there is such a previts purchases hereund	railing price) pursuant to co er: and (c) if at the end of t	mparable purchase contracts entered into or he primary term or any time thereafter one o
more wells on the leased premises or lands pooled there	with are capable of eit	her producing all or ga	is or other substances cove	red hereby in paying quantities or such wells
are waiting on hydraulic fracture stimulation, but such we be deemed to be producing in paying quantities for the p	ll or wells are either sh turnose of maintaining	ut-in or production the	re from is not being sold by	Lessee, such well or wells shall nevertheless s such well or wells are shut-in or production
there from is not being sold by Lessee, then Lessee sh	all pay shut-in royalty	of one dollar per acre	then covered by this lease	e, such payment to be made to Lessor or to
Lessor's credit in the depository designated below, on or white the well or wells are shut-in or production there from	before the end of said	i 90-day period and the	ereafter on or before each	anniversary of the end of said 90-day period
is being sold by Lessee from another well or wells on th	e leased premises or	lands pooled therewith	n, no shut-in royalty shall be	e due until the end of the 90-day period nex
following cessation of such operations or production. Le	essee's failure to prop	erly pay shut-in royalty	shall render Lessee liable	for the amount due, but shall not operate to
terminate this lease. 4. All shut-in royalty payments under this lease sh	all be paid or tendered	to Lessor or to Lesso	or's credit in at lessor's as	Idress above or its successors, which shall
be Lessor's depository agent for receiving payments rega	ardless of changes in ti	ne ownership of said la	and. All payments or tender	s may be made in currency, or by check or by
draft and such payments or tenders to Lessor or to the c address known to Lessee shall constitute proper paymen	repository by deposit in	n the US Mails in a sta puld limidate of be su	amped envelope addressed acceeded by another institu	to the depository or to the Lessor at the las
payment hereunder, Lessor shall, at Lessee's request, de	eliver to Lessee a prop	er recordable instrume	ent naming another institution	n as depository agent to receive payments.
Except as provided for in Paragraph 3, above, i premises or lands pooled therewith, or if all production	f Lessee drills a well w (whether or not in na	high is incapable of pr	roducing in paying quantitie	s (hereinafter called "dry hole") on the leaser suse, including a revision of unit boundaries
pursuant to the provisions of Paragraph 6 or the action	n of any government	at authority, then in the	he event this lease is not	otherwise being maintained in force it sha
nevertheless remain in force if Lessee commences oper on the leased premises or lands pooled therewith within	ations for reworking at	existing well or for dr	illing an additional well or f	or otherwise obtaining or restoring production we after such reseation of all production. If a
the end of the primary term, or at any time thereafter, t	his lease is not other	vise being maintained	in force but Lessee is the	n engaged in drilling, reworking or any othe
operations reasonably calculated to obtain or restore pro	duction therefrom, this	tease shall remain in	force so long as any one or	more of such operations are prosecuted with
no cessation of more than 90 consecutive days, and if a there is production in paying quantities from the leased				
Lessee shall drill such additional wells on the leased pre-	mises or lands pooled	therewith as a reasons	ably prudent operator would	drill under the same or similar circumstance
to (a) develop the leased premises as to formations the leased premises from uncompensated drainage by any				
additional wells except as expressly provided herein.	TOTAL DE MENS TO GREAT OF	i surer iditus Hot poole	o vielemui. There sidil D	2 TO CONSTRUCT TO SUM EXPROPERCY WORLD OF SUIT

additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of loco, one could be represented by a proportial completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component production which the horizontal production of

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premise

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferree in proportion to the net acreage interest in this lease then held by each.

9 Lessee may, at any time and from time to time deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net accessee interest retained becaused.

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased

there in stall apply (a) to the efficie leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or other from any house or barn now on the leased premises or other lands used by Lessoe hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably withi

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease. Lessee shall not have any rights to use the surface of the leased premises for drilling or other

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) By: Kelvin El Johnson ACKNOWLEDGMENT STATE OF nowledged before me on the Alic Notary Public, State of Tolkas ROSA M. VALENCIANO 's name (printed): Notary Public, State of Texas My Commission Expires November 28, 2010 STATE OF COUNTY OF This instrument was acknowledged before me on the day of 2008



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

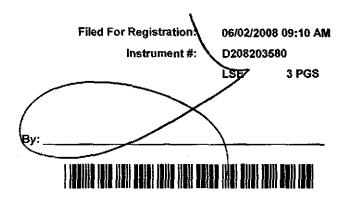
TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00



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